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Lessons from Florida winds : land speculation worse than hurricanes : profits without service may be stealing

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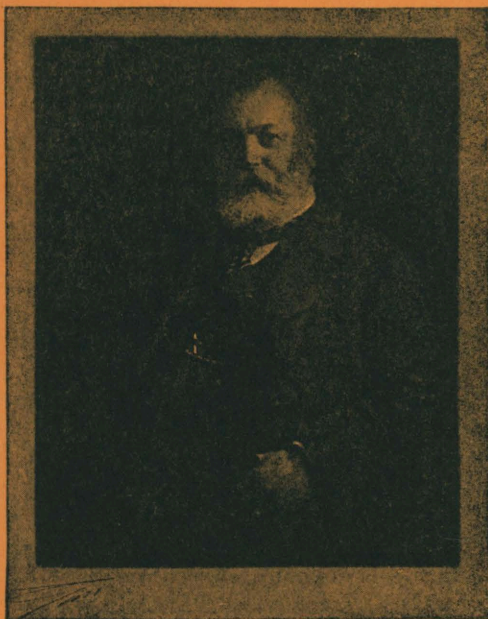
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Lessons from **FLORIDA WINDS**



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by
C. W. BARRON

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LESSONS FROM FLORIDA WINDS

*Land Speculation Worse Than Hurri-
canes—Profits Without Service
May Be Stealing*

By C. W. BARRON

At the Nautilus Hotel, Miami Beach, last month Mr. C. W. Barron was given a luncheon by the Miami Beach Chamber of Commerce and Committee of One Hundred in which was also joined the Committee of One Hundred from Miami.

There were present the representative citizens of these communities, including the pioneer developers of Miami Beach, John S. Collins 89 years of age, and Carl G. Fisher.

President Clayton Sedgwick Cooper introduced Mr. Barron in flattering terms as a friend of Florida and a farmer and said: "We greet Mr. Barron today as farmer, economist and the most outstanding student of affairs of which America boasts."

Mr. Barron responding said:

Gentlemen of Miami Beach and Miami: You have heard me introduced as a farmer and you have laughed. Now I must support my introducer and tell you first what I had not intended to tell you, that I am probably one of the largest dairy farmers in New England operating 27 farms and pieces of farms near my summer home in Cohasset, 22 miles southeast of Boston.

Guernseys and Certified Milk

I think I am the largest importer of Guernseys in the world, as well as one of the important Guernsey breeders of the world, having between 200 and 300 cattle at my Oaks Farm in Cohasset, and owning more Guernseys than any ten men on the Island of Guernsey, where they have only small herds as family pets. I am vice-president of the Certified Milk Dealers Association of America, hold the blue ribbon for certified milk and have assisted in bringing up about 3,000 babies, and have never lost a baby. This is really the purpose for which the Oaks Farm was established at the request of Mrs. Barron who was interested in saving the lives of babies and children.

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Record Guernsey Prices

If you still don't believe that I am a farmer and Guernsey breeder, I will confide to you that I have paid the record prices in purchases of Guernsey bulls, all the way from \$4,800 to \$25,000 which I paid for the famous Florham Leader as a bull calf when two months old, and you could have picked that calf up in your arms at the time. That is the highest price ever paid for a Guernsey animal. The highest previous price was for Florham Leader's mother, \$15,000.

But Florham Leader with 32% of May Rose's blood, the best family strain in the Guernsey line can never be duplicated, although I am developing his heifers and bulls. My business as a farmer sometimes approaches \$200,000 per annum, and that is my real business. That is what I have to think about. My financial news services and financial newspaper publications in different cities are comparatively easy.

Now I suppose what you really wanted me to talk about down here is economics and values from the standpoint of the finance of the North.

In Debt to Florida

Mr. Cooper has spoken of the indebtedness of Miami and Miami Beach to me. There is no such indebtedness. I am in debt to Florida and its climate for my doctors have sent me here these two winters, and I do not know how many more winters yet to come. I notice that people who live in southern California, Florida, and the Riviera of France and Italy for the winter months are people of longevity.

I have visited all these places in the past two years, and have recently returned from the French Riviera and I can assure you that only in Florida is there the area in the healthiest winter climate of the world for the future winter homes of the whole world.

Knows San Diego

I think that San Diego is the cream of southern California. I know it better than the men who live there for I went there about 47 years ago with Thomas Nickerson who gave San Diego its first railroad, and who laid the foundations for the great Atchison, Topeka & Santa Fe, built the Sonora and southern California roads, and started the Mexican Central from El Paso south to the City of Mexico. He was the great pioneer railroad builder of the Southwest. When I went to San Diego two years ago I found I knew more about the foundations of that city than the men who now live there. But they have built it beautifully, and have a most wonderful climate. Twenty miles behind them are the snow capped mountains and behind that the desert. In fact, California is largely a desert except on the sea coast. Southern California has only a fraction of the area for winter homes that Florida possesses. The Riviera is similar, a narrow strip of

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land backed by snow capped mountains, but warmed by the sunshine and the breezes from the desert of Sahara that come across the Mediterranean.

On The Riviera

When I was at Monte Carlo a few weeks ago the Riviera was enjoying a land boom. They had not heard of Florida's experiences in that line, but they had heard that Miami had been wiped out by a hurricane and they boosted prices, started a building boom and land speculation, and said: "Now that rich Americans will no longer go to Florida, they will flock to the Riviera." They raised hotel prices about 50% which I suppose is in part due to shifts in exchange rates and now are asking why they have less American visitors than last year.

But the Americans know that Miami, except for some individual losses, has really suffered only in foliage, fruits and its flowers. There are those who say that Florida is in for a great reaction and predict hard times. Some of you have objected to some statements recently in the New York Times to this effect.

Defends Mr. Ochs

Now, I do not agree with those statements, nor do I believe that anybody ever has the right to predict misfortune for another; you have no right to say your neighbor is going to be sick. I am sure that if Mr. Adolph Ochs whom I know very well had first seen that article written in December it would not have been published. First class mortgages are not to be had in Florida at 20% discount and no measure of the Florida season can be taken in December when the season is not supposed to begin until in January.

Mr. Ochs cannot be held responsible for every line in 60 to 120 pages of his excellent daily paper. Let me tell you an incident from my personal knowledge. When Mr. Frank Munsey desired to consolidate the New York Tribune with his New York Herald he went to Mrs. Whitelaw Reid who had established her son in control of the Tribune, and said: "Mrs. Reid, these two papers should go together, and I will give or take five million dollars." Much to his surprise Mrs. Reid promptly said: "I will take the Herald."

Honor in Journalism

Now it is a difficult thing to deliver in toto the good will and circulation of one paper in a town where there are several other good papers. The New York Times was of course the great rival of both the Herald and the Tribune, and the average business man would have considered this an opportunity to increase his circulation. Many Herald readers would of course fall away in the attempted delivery of the Herald circulation to the Tribune.

When the merger was to take place, Mr. Ochs gave orders on that day no more copies of the Times should

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be delivered to news dealers than they had been previously receiving. Doesn't this show the high character of Mr. Ochs as a news publisher? I am proud of that shining example of honor in the news publication business.

Mr. Ochs was astonished when I published that record on the occasion of the late 75th anniversary of the New York Times. He did not know that anybody else knew of this order. Mr. Munsey heard it and told me. When I published it in my papers the Times did not even repeat it because the orders of Mr. Ochs were against anything in his own papers complimentary to himself.

Here is a record for modesty, business integrity, and fair play, which I ask you to match within or without the field of newspaper publication.

Florida Not In Need

I have no other personal interest in Florida than my fishing rods and other things I have on the Houseboat Edna B, and my health.

I did not know what I should talk about when I came here. Someone suggested I say something to encourage the people of Miami Beach. But I have driven north and south through your development last year and this year and I was in Florida more than 40 years ago when you could get to Miami only by water, and Miami Beach had no existence except as a shore line and a mangrove swamp, and my observation this winter is that the people of Miami Beach need no encouragement. Miami and the whole state of Florida is behind it, and its future. In front is the wonderful Gulf Stream with its fish and winter warmth. Old Neptune came up to take a look at it a few months ago, possibly attracted by that beacon light 305 feet high above the Miami Biltmore Hotel, the finest and most modern hotel in the world, towering above the youngest and fastest growing university in the miracle city of Coral Gables.

Old Neptune's Assault

Apparently old Neptune wanted to know who was to be the boss and who was to be educator of the people, for the sea has marked the progress and the education of man. Only the Anglo-Saxon race has ruled the ocean and conquered old Neptune. He found here at Miami Beach and Miami the finest specimens of the Anglo-Saxon blood, and he retired. Whether he comes back again in 50 or 100 years I will not prophesy. Prediction is not in my line, but if I were obliged to I would bet on the Anglo-Saxon that he has had to face and battle with old Neptune, Florida's greatest friend.

You people of Miami Beach have lost just a few acres of your 4,400 or including your inland waterways and your bay bottom all capable of development, just about 11,000 acres. But, which ever way you

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take it you haven't lost one-tenth of one per cent, and you have sustained the larger part of the land damage of Florida from the September blow.

Storm Benefits

On the other hand, see what you have gained. You have gained a knowledge that is worth for you in the future some millions or dollars, and you should be happy that you have learned it before your assessed valuation passes the hundred million dollar mark or your real value goes beyond two hundred million dollars.

The people of Key West have had their blows and no longer fear them. They know how to bar the doors and windows of vacant buildings. Mr. Carl Fisher, the great developer of Miami Beach who sits here by my side tells me that he has now cancelled all insurance, hurricane, fire, and everything else, upon his properties at Miami Beach, for the September blow taught him how to fix up his roofs, awnings, doors and windows so as to be wind and water proof.

You will have a new ocean front with jetty projections, and possibly a big board walk, and then you will be thankful for the mysterious goodness and Providence of your September gale.

Florida's Big Winds

Storms are necessary to clarify the world's atmospheres. They are necessary with individuals in character development, in cities, towns and nations, in the church, and in finance.

We welcome them in Wall Street when prices are dangerously overblown, and credit in danger of over-extension.

Now you have had two big winds here in Miami and Miami Beach. See that you get the lesson from them aright. The September blow did not compare in threatened disaster with that which began about two years ago, and threatened for a time to blow land valuations hereabouts completely off the world map.

Speculations Good and Bad

There is a legitimate speculation, and an illegitimate speculation, and land values must rise that increasing taxes may be had and town development and improvements go forward, but there is no service and no value beyond a certain point in multiplying land values under homes. There is no service to the country in lifting values here or in Wall Street that one set of speculators may sell at a profit to another set of speculators.

Wall Street has a good and a bad side. It is the investment field for the in and outflow of money for the country, and now somewhat for the whole world. But the people who throw their dollars without intelligence into Wall Street on the chance of a gamble add nothing to society, their country, or the service of man, except

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as their money helps brokers to pay rent and expenses and buy news services. But as a whole, the brokers would rather not have this money. They would prefer that customers judiciously invested, and sometimes over-invested and got their reward from the growth of the country or the enterprise in which they invested or speculated. Every legitimate broker deplors the receipt of money from the "lamb" speculator and knows that the lamb never gets back even his first margin.

Thou Shalt Not Steal

A margin loss of 20 or 25% in Florida land speculation is no worse than a margin loss in Wall Street. Both are deplorable. The gambling that goes with legitimate speculation or business investments is a national evil.

The attempt to gather fruits without planting, or profits without service is a violation of the commandment "Thou Shalt Not Steal." Money seeks Wall Street legitimately for investment and investment return—illegitimately for gambles.

Money seeks Florida legitimately to plant and build and invest and receive the fruits thereof—illegitimately to gamble and gather fruits without service.

Your margin traders in "binder" contracts in 1925 were a greater danger to Miami and Miami Beach than all the winds that ever blew over Florida.

But the atmosphere has been clarified. The winds of land speculation in "binder" contracts have met the hurricane of reaction and your financial atmosphere is now clear. San Diego had a land boom in 1907 and prays it may never have another. The Riviera is having its land boom in 1927 and will soon be hoping that it never has another.

The attempt to grow too fast always invites disaster. Reaction and so-called disaster are the great correctives. My friend Henry Ford always wants to harness every water power he sees, but I say: "Bless your dear soul, don't you know that if you harnessed all these little streams where you wish to put in a water wheel and generate electricity there would be nothing for the next generation to do?"

Old men must die that young men may go forward, not wholly for the world's development but for man's development, which is the essential development. If all the water-falls were electrically equipped what would there be for pioneers in the next generation?

The Lesson of Panama

When my friend Bunau-Varilla was 12 years of age and heard the French engineers at tea in his mother's home lamenting that there were no new worlds to conquer because the Isthmus of Suez had been cut, his mother replied: "But there is yet Panama to be cut."

That was the first time that young Bunau-Varilla heard the name Panama. He resolved that he would

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cut it, and not only did he become the engineer in chief cutting the Isthmus of Panama at 26 years of age, but when he saw the enemies of his country destroying the credit of the De Lesseps enterprise, he resolved again that Panama must be cut.

He made the revolution in Panama and delivered the canal to the only nation that could cut the isthmus, and as Theodore Roosevelt told my friend Morton Fullerton, the Paris journalist, "Bunau-Varilla handed me the Panama Canal on a silver platter, and I took it and carved my name in Panama."

Bunau-Varilla's motto was from his old primary school textbook: "Begin with the difficulties of the beginning."

The Lesser Disaster Prevents a Greater

Here again we have the lesson that one disaster is usually to prevent a greater. The disaster of the French Panama Canal scheme insured its completion by the strongest nation in the world, thanks to the energy of Bunau-Varilla and Theodore Roosevelt; and just in time to be of assistance in the World War. It re-established the confidence of the French people in their financial and political leaders, a necessary preparation for their own national defence. The French had seen De Lesseps, father and son, sentenced to jail for taking money to build the Panama Canal, which the court decreed was a chimerical scheme.

Again let me say that the world goes forward by what first appears as disaster. Florida has progressed by them more than any other state in the Union down to its last battle with old Neptune. But the sun is on the side of Florida, and one with God is always a majority.

Revolutions Conserving Oil

When I was in the old fields of Tampico with E. L. Doheny, that honest American pioneer who prospected this continent with pick and shovel from the Canadian line down into Mexico and whom I am proud to call my friend, I pointed to the bullet holes in the oil reservoirs at Ebano and said: "Doheny, but for the disasters of revolutions and social and political upheavals in Mexico the oil wealth of Mexico might have been exhausted with its early gushers. It is revolution that has held back the tapping of these oil fields."

When these great gushers burst forth in Mexico with 100 to 300 thousand barrels output per day, oil would have soon sold at a few cents a barrel if the revolutionists had not kept oil prospectors and oil investors out of Mexico.

The disaster of revolutions in Mexico has saved for the future these great oil fields from which the world's oil supply and prices may be regulated in the future, if wise councils prevail.

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Naval Oil Reserves

Later in California Doheny pointed out to me what was true conservation for the Naval Oil Reserve. He said: "The thought of some people has been to save the Naval Oil Reserves so many thousand feet underground while private interests all around it are tapping it off, yet with the thought that enough will be saved at the center to give the United States oil for its navy when all other oil fields in the world are exhausted. Assuming that this oil could in future years command a pipe line to bring it several hundred miles to the seacoast and a refinery to make it available you would still have the United States in the ridiculous position of planning to hold the only navy in the world using fuel oil after the arts of oil transportation and oil refining; oil handling, and the maintenance of oil burning machinery, had passed away."

Service is Conservation

There is only one conservation, the conservation that is in service. There is no proper conservation by man of that which is underground.

I have sometimes to stand on my feet and answer questions before bankers' conventions although one of my occupations is asking questions of the bankers. Many years ago at a bankers' gathering I was asked: "Is Standard Oil a good investment?" In a flash the truth came to me, and I said: "Standard Oil is the broadest based investment in the world, for it is the only investment in the world that serves more than a billion people around the globe."

Years ago when there was less than three hundred million dollars worth of oil produced in the United States and the Standard Oil handled 85% of it the business created therefrom footed up on the Standard Oil books two billion five hundred million. I don't think this was ever said before, but it is nevertheless a fact.

The Rockefeller Service

Profit as well as conservation are in human service.

Searching for oil was too much of a gamble for Mr. Rockefeller. He could not afford to indulge in it. He never believed in gambling, but when he was 35 years of age he declared to his associates in the organization of the Standard Oil Co. that his ambition was to sell kerosene, which was then the main product from petroleum, around the world. In 20 years he accomplished it and you could buy cans of Standard Oil not only in North and South America, but in Africa, in India, in China, and at the top of the Himalaya Mountains.

But Rockefeller paid the price, and at 55 years of age, from nervous indigestion, meaning the strain upon his nerves, he lost every hair upon his body; not even an eye-lash was left. But with the same energy he sought for health. Now 30 years later we find him

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one of the vigorous men of the world, "retired from business," but still handling for the benefit of his fellow-man a larger fortune than had ever been accumulated by any man preceding him on this planet. It is service that develops character. It is service that begets the wealth, or the tools, that may be needed in that service.

The Meaning of Great Fortunes

You may think of these great fortunes as individual wealth accumulations. I regard them as nothing but tools for human service. The men who have the force of character and the brains to accumulate the wealth will usually be found with capacity above their fellow-men to direct the service for man, for society, and for the country in their elected lines.

Years ago I think I found the true law of individual wealth, profits and service. Wealth is but a tool, and the profit is the insurance of the future service or use. When you destroy the profit in any line the service to man from that line must fail. I know a retail merchant who weekly instructs his salesmen and shows them how to emphasize service. He says: Every lady buyer complains of the price for her new silk, always forgets it but always remembers the service, how it wore and returns to that store.

Nevada's Great Wealth

I sometimes give young men this simple proposition: Nevada is one of the largest states in the Union running down the eastern side of California, I believe, for about 800 miles, but it has less than 100,000 population. Bring the wealth that is underground in the state of Nevada in coal, gold, silver, copper and iron, according to geological surveys and put that wealth into the hands of man and what is its value?

Some will tell you it may be as high as a hundred million dollars. Nobody at first blush will reckon in the billions. But I will tell you that such wealth from this single state now under the feet of less than 100,000 people would come very close to doubling the wealth of the whole world. It would be not a hundred million, or a billion, but a thousand billion. You can prove the proposition yourself if you will consider for a moment that human beings could not exist for several thousand years more on this planet unless the wealth that is on the surface were but a fraction of the wealth that is underground. Yet underground with no human service in view, its value is practically nil.

How Service Multiplies Values

All the lands of the United States produce crops worth at the source of ten billion dollars. All the coal, gold and underground wealth produced is worth at its source less than ten billion a year. Yet, the United States does a gross business from these of a good deal more than a hundred billion dollars per annum, and gets therefrom an income of seventy billion dollars a

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year out of which there is probably saved and added to the wealth of the country not far from fifteen billion dollars every year, or about the value that comes from the soil and the mines.

Does our great accumulation representing one-half the income of the world come from the soil and the mines? No, it comes from the service which multiplies the value of crops and mineral production.

Florida's Value Is in Service

All the lands of Florida, all the sunshine spilling health-giving rays upon it from above, and all the fish playing around it are of no value until they come into the service of man. All your mangrove swamps are but breeders of snakes, alligators and crocodiles until man put the song of the dredge above the note of the bull-frog, and converts these unflowering and unfruiting mangrove marshes into isles of Venice. Here millions of people will in the future find the health that is to be found only in sunshine by the seashore under soft skies and atmospheres of balm.

The Ford Fortune

Another great fortune has come into the world and topped the billion of Rockefeller. Some of you wonder as to what is to be the future of Henry Ford. I know at least a hundred people who are more troubled about the future of Henry Ford's fortune than he is himself. He didn't even know that he was worth a billion until I proved that he was worth at least a billion and a half and showed him the richest man in the world which made him a bit provoked because he doesn't think of fortunes in terms of wealth, but in terms of service.

We sparred around the world over financial problems, and his theories regarding labor and capital for some years and when his people asked why I would not meet him I declared I had nominated him for President of the United States as the Wall Street candidate, because he was just what Wall Street loves an autocrat with the largest fortune, the largest bank balances, and the largest income, administers it autocratically, and successfully, without dictation from directors or advices from shareholders; and I declared I wanted to have my independent say about Mr. Ford and I might feel less independent and free in my speech after I had broken bread with him.

Only One Question for Ford

When he heeded the decision of his real boss, Mrs. Ford, and said he would not be a candidate for President I sent word that I would gladly meet him. The appointment was quickly made. With a busted knee, propped up on pillows I motored a long distance, and when we sat down I said: "Mr. Ford, I have read all that you have said, and all that has been said about you. It would fill a big encyclopedia, but there is

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only one thing that really interests me in it all, and if you will answer me one question I will answer any question you care to ask of me concerning finance or Wall Street, theology, religion, politics, or the war. What interested me was the chapter in your 'Henry Ford's Own Book' and the law of service. Where did you get it?"

This question untangled Mr. Ford's legs very quickly and brought him upstanding as he replied: "Mr. Barron, that is the one chapter in that book I wrote myself."

And Henry Ford got the law of service from his noble mother who died before he was 15. What you get that is worth while in this world you really get early in life.

Ford's Main Problem

Now everybody is talking about Henry Ford's future. When he will bring out a new car and a lot of other things that don't concern Mr. Ford at all. I was impressed with his presentation to me of his main problem. It wasn't more money, it wasn't more cars, it wasn't more profits. He said his greatest problem was the maintenance in service of the used Fords in the country. He wanted them to last as long as possible. You may not know that he has since established standards by which every Ford car is taken back by his agent at a minimum price according to its years of service, reconditioned, and put into service.

I happen to have just picked up my Philadelphia News Bureau—just one of the four financial services and publications for which I am held responsible in the financial field. It gives an interview had this week with Henry Ford at the Wayside Inn, near Boston, with a representative of the Boston News Bureau, and as my Philadelphia News Bureau happened to reach me first here in the South, I have the interview therein, and I want to show you therefrom just what Henry Ford's view is.

Ford's Closer Inspection

I told you people were more concerned about his declining output than he was himself. A few years ago Mr. Ford put out 2,100,000 motors, and he told me he was all set to go to 10,000 cars a day, and expected soon to be there, which would be pretty nearly three million motors per annum, but instead of going forward his output receded. Last November I figured his output at about 1,800,000. I was not far wrong for here are the figures as he gives them himself, but what I want to emphasize is his comment. He says in this interview:

"The Ford Company manufactured last year 1,802,000 cars—I think this was the total—but it is quite possible we will not manufacture as many

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in 1927. The little let-down give us opportunity for closer inspection and will be in every way desirable."

See how he welcomes the opportunity for closer inspection. That is what the people of south Florida should welcome from its two wind blows, the opportunity for closer inspection, the improvement in the service.

Ford and Rockefeller on Same Lines

The maintenance of service is the main idea of Henry Ford. It is the main idea of John D. Rockefeller. You will usually find it associated with the greatest fortunes. I think I have met most of the rich men of the world from Sir Basil Zaharoff, the so-called "mystery man of Europe," who is no mystery to me, and who is said to be the richest man in Europe, if not in the world, but who isn't, to the leading multi-millionaires of this country.

What Rich Men Are Not

It is my business to know them and to know their history, to know how they got their wealth and what they are doing with it. And if you knew them as I do you would find that they are not miserly, they are not lovers of money, but they are the lovers of that which goes with money, service to mankind, and that service must be on proper and legitimate lines. It is not in giving money away, it is not in helping the idle, it is not in putting money into the hands of people who don't know how to serve. These multi-millionaires are putting themselves, their brains, and their fortunes into the service of their fellow-man.

Service Is Not in Booms

That is what you are going to do with Florida. You are going to put it into one of the greatest services that can be thought of for humanity—the preservation of health and the prolongation of life. And in this line as I have said before, there isn't any section of the world that can be called Florida's competitor, and there isn't any part of Florida that can match south Florida in this line, and there isn't any part of south Florida that can match Miami and Miami Beach.

I said a moment ago that your greatest disaster was your land boom. That land boom laid embargoes on rail and shipping, destroyed the smoothness and beauty of human service, and warned the world to keep away from Florida. If there are fewer people come to Florida this season than last winter it is not because of your September gale but because of your 1925 land boom that interrupted and partially destroyed the real service of Florida.

The Diamond Eyes of Florida

You are the shore front of Miami, and neither of you can be duplicated. Some people speak of you as

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the sunshine parlor by the Gulf Stream. You are sometimes a peninsula and sometimes an island, but I love to think of you as the top key of the Florida Keys, and the top keynote of Florida.

These keys are the diamonds in the eyes of Florida. You are at one end and Key West at the other. And Key West, with a valuation of about ten million is willing to mortgage itself for its fifteen million dollar Over-Sea Highway, a motor road paralleling the highway that Henry M. Flagler whom I am old enough to remember, personally built to bind into the trade of the United States that other key called Cuba.

There is no bad land in Florida. I doubt if there is any bad land anywhere in the world. Emerson said a weed is a plant whose virtues have not been discovered.

The Everglades

A few years ago every school boy knew two things about Florida, that Ponce de Leon sought there the Fountain of Perpetual Youth, and that there was an almost endless swamp called the Everglades where wanderers might enter but never come out. Now you have begun to drain the Everglades, and as far as you have gone you have opened up some of the richest soil in the world.

The Bad Lands of California

At Los Angeles they will show you a museum of skeletons, bones, and hundreds of sabres or tusks from the sabre-toothed tiger—long ago extinct—but his bones preserved along with those of sheep and Arabian horses not known on this continent since the advent of the white man—all preserved in the Asphaltum of the Brea Ranch where elephants, horses and sheep and sabre-toothed tigers were enmeshed over a long period as they came to drink at a spring in a marsh and sunk in what our early settlers in California called the "bad lands."

The Bad Lands of Mexico

After E. L. Doheny started the oil development of southern California these bad lands were found to be the center of one of the greatest oil and wealth producing districts of the world.

When Doheny went into Mexico he bought the same kind of "bad lands," coined wealth for American enterprise and brought millions of wealth into being for both Mexico and the United States.

Those Mangrove Swamps

When Collins and Fisher, those great pioneers of Miami Beach who today by their presence beside me at this luncheon do me honor, began the conversion of the mangrove marshes of Biscayne Bay into gardens, villas and palaces intersected by flowing waters, they opened a new era for southern Florida, and for all

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Florida, and nobody today can set bounds to the wealth creation that must follow here.

Faith Removing Mountains

When Merrick converted his groves of oranges and grapefruit into the miracle city of Coral Gables, backed a ten million dollar hotel enterprise, and a fifteen million dollar university with his whole fortune, he showed the faith that removes mountains and that rears mountains in the plains.

Putting the Money Back

When my friend N. B. T. Roney made his millions at Miami Beach he didn't take them away. He built them all into the beautiful Roney Plaza and its Casino, the gem of the Miami Beach shorefront.

What I like about the pioneers of Florida is that they put themselves and their money in to stay there. Flagler and the Flagler Estate have put their money into Florida and they have never taken it out. Collins and Fisher and Merrick and Roney put themselves and their money into Florida and I never heard of their even proposing to take it out.

The Sticking Blood

The Anglo-Saxons are the men who stick, and as far as men in Florida make money they put it back. That is what makes the Anglo-Saxon race great over the world.

Your bankers are the same sticking blood. They are not land boomers, seeking to rush in for speculation and rush out with a profit. You have got the right kind of bankers around here. They are not in the land booms but they are in your straightforward development.

Banks of Service Don't Fail

I haven't heard of any substantial banks or bankers in Florida failing. In fact, you rarely hear of any bank failure where there is the law of banking service, but wherever I see in the banking line something that is not service, but attempted gain without service, there I throw out my lines to study the situation and watch for news development.

Headline News

I wonder if you know what news development really is. I don't mean the news of financial and industrial progress. I mean the news that makes big headlines in the newspapers and that catches your eye first in the morning.

I once had to tell a meeting of good ministers who wanted a "goody-goody" paper published that news didn't come down from Heaven, that all real news was from Hell [laughter]. They seemed shocked but I proved my case. I said: What is the news in the Back

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Bay district of Boston where you are now assembled? Is it news when 10,000 people go quietly and honestly to bed? Or, is it news when a careless servant doesn't fully turn off the gas, or lets the wind blow it out, and an explosion and fire follows early in the morning, with possible loss of life? That's what every one of you reach for at your breakfast table! News!!

Let the burglar skulk down the alley after midnight opening a window with his jimmy, and disappear with the family's silver or jewels, and what is the first thing you people reach for in the morning? News of your neighbor's loss by robbery!! News!

The Boston Daily Advertiser once attempted to make one real good page of news, cutting out crime, accidents, politics, the theatre, and usual news departments. But the first labored attempt could not fill a column, and the effort dropped down to a fraction of a column wherein was inserted a few paragraphs about the Horticultural Society meeting or a donation from some nice old lady on Beacon Hill to Harvard University.

Advertising by Your Enemies

A few weeks ago going over the ocean I had the pleasure of telling Queen Marie of Rumania that the enemies of her country had been her best friends. They had kept her on the front pages of the newspapers, and today you cannot pick up a paper in Paris, London or New York without seeing every day something about Rumania or the royal family. And before the war you never heard of Queen Marie and the name of her country had for you no meaning.

The September gale advertised Miami and Florida over the world. It has put the name of Miami into millions of minds that never would have heard of it from millions of dollars of advertising expenditure, and in a considerable portion of those minds will sprout in due time ambitions to see the city that is now bigger than it was when they heard the false report of its destruction.

The Jacksonville Building Boom

When I came through Jacksonville the other day I was astonished to find a new line of skyscrapers and to learn that Jacksonville spent more than twenty million dollars in building last year and went over the top in bank deposits, clearings, postal receipts, imports and exports, and manufacturing. But in December Miami led the state's fourteen million dollar building contract payments with \$1,164,000.

What do you think of a state that can have building contracts of three hundred and thirty million dollars in 1925, and then when she finds the land boom has vanished in 1926 still puts two hundred and forty-eight million dollars, according to the records, into building?—a decline of only 25%. I should speak of it as representing a healthy reaction in some sections.

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A Debt Free State

But the expanding business of Jacksonville is the business of all Florida. Do you suppose the people of Jacksonville don't know what they are doing when they are building by the gateway to the state? Up North we think pretty well of a state that can keep out of debt, have fifteen or twenty million dollars in its treasury, collect ten million in gasoline taxes, and spend fourteen million dollars of the state's money on highways, and I hear it will be more in 1927.

Who Is Investing in Florida?

But turn from motor highways for a moment and ask yourself if the Famous Players Company, the greatest moving picture combination in the world is putting fifteen million dollars into Florida without some knowledge of conditions and some faith in the future of the state. Are the bakery people budgeting for a seventeen million dollar investment in Florida this year without knowledge? Are the telephone people planning for four million dollars to be spent in the state this year without scientific investigation?

Don't the steamship people know what they are doing when they this year put on six new boats for Florida business at an average cost of two million dollars per boat?

Are the railroads that are owned in the North putting one hundred and twelve million in two years into this state for something that can meet with any substantial damage from wind or weather?

No! The substance is here! The service is here!

Room for a Thousand Venices

Venice once ruled the world. But Miami Beach is four times the size of Venice. And the world has been taught here how it can make a thousand Venices between Miami and Key West and such as can be made no where else in the world. Miami and Miami Beach have made the greatest comeback and the greatest recovery in the history of the world.

You have now only to read your lessons clearly, build and rebuild the stronger. Miami is behind you; Jacksonville and all Florida is behind Miami; and behind the whole state is the United States with one-half the income of the world.

[Great applause.]

Possibilities in Agriculture

At the close the chairman announced that Mr. Barron was ready to answer any questions, and in response thereto Mr. Barron said:

Florida is not an agricultural state that can produce wheat or corn in competition with the states of the West and Northwest, but for what you really need here it has unlimited agricultural possibilities. You do

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not yet realize what you can plant and produce, even in your sands by the seashore. Up at old Cape Cod we have found that you can make gardens of flowers and vegetables grow in the sands cast up by the ocean. Soil is only one of the factors in production. Do you know that the major part of every tree is taken by the leaves of the tree from the nitrogen in the atmosphere? Wealth is from the sun more than from the soil.

Products from Sunshine

One day on the Rhine I was asked by a gentleman from California why the wines there were so much different from those in California. I sometimes have a bright thought. I had one then. I quickly responded: California wines are product of the soil, the wines of the Rhine are product of the sunshine. You have perhaps seen, as I have, those great vineyards in Europe terraced upon the hill sides where there are more rocks than soil, and yet the growth is luxuriant.

All wealth is from the sunshine, by soil, and labor. You have here abundant sunshine, and you can grow anything, and everything you need. Every acre in Florida is valuable for the development of Miami Beach has shown that swamps and marshes may hold greater value for the health and progress of man than ordinary land.

More Fish, Fruits and Flowers

What you need in Florida is labor to produce more flowers, more dairy products, more and better fresh vegetables, and you need more fresh fish on your tables. You leave your fish in the ocean for the sportsman. You leave your flowers to nature, and you buy too much of chicken, eggs and dairy products from the outside.

I don't know what cattle are best adapted to your lands, but you should study and work to find out. God gives you the land and the water and the sunshine and you must do the rest. You are really not as much in need of your Everglades development as you think. You haven't begun to develop the lands you possess. Remember that your asset is sunshine and not muck. Florida can be a garden for the whole world and in every acre, and can grow fruits, vegetables and flowers.

[Great applause.]

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From The Wall Street Journal

February 7, 1927

(A. M. Issue)

"FARTHEST SOUTH"

By Hugh Bancroft

Secretary, The Wall Street Journal

Publisher of

The Boston News Bureau

and

"Barron's" the National Financial Weekly

Two Great Highway Projects Focus On Key West—A Climate To Brag About

Key West—This far flung island city, the farthest south of continental United States, is now a focal point in the two most ambitious and interesting highway constructions in North America: the Overseas Highway, the final link in the Atlantic Coastal Highway from Eastport, Maine, to Key West, Florida; and the 700-mile Cuban Central Highway which will open up all of that marvellously fertile and luxuriant island to motor traffic.

There is some \$8,000,000 in hand in the Cuban treasury earmarked for this latter project, the proceeds of certain taxes levied specifically for this purpose, which under normal conditions should produce close to \$10,000,000 annually; a revolving credit for \$10,000,000 has been arranged with the Chase Bank, and the \$76,000,000 contract has been awarded to the best highway construction organization in the world—Warren Brothers of Boston.

The Automobile Ferries

With the completion of the Overseas Highway into Key West, automobile ferries will naturally follow to bridge the 90 miles of Gulf Stream to Havana similar to the Florida East Coast Railway's big car ferries which ply incessantly between the two ports carrying 30 loaded freight cars at a trip, interchanging them between the American and Cuban railroads without breaking bulk.

Out of the 155 miles of the Overseas Highway from Miami to Key West, 110 miles of which runs over the Florida Keys, the northern and southern sections totaling 115 miles are well advanced. Many stretches are open for travel, and it is expected that not later than November it will be possible to motor from Miami down through Homestead across the Glades country of the lower mainland, over the long draw bridge to Key Largo and so down the northern Keys to Matecumbe, 85 miles in all. At the same time it is expected that the road will be finished from Key West up over the southern Keys 30 miles to the lower side of the great truss bridge of the Flagler Railroad at Bahia Honda which crosses the deepest and, from a construction

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standpoint the most difficult, of the numerous channels among the Keys.

In the intervening 40 miles there are 20 miles of highway, the construction of which has been provided for, and two long water gaps totaling 20 miles already bridged by the famous long trestles of the railroad, over which ultimately highway bridges or viaducts will be constructed.

The building of these highway bridges is likely to await state and federal aid, which should be forthcoming, as Monroe county which comprises the Keys has done more than its full share and gone about as far as its resources will prudently permit in financing 100 miles of the highway.

Meanwhile negotiations are in process with the railway company which it is expected will result in the provision of a shuttle service over this 40-mile gap by trains of platform cars specially designed so that automobiles can readily be driven on and off. The prospects are excellent that in this way automobiles next winter will be able to reach Key West from any point in the United States.

Key West A City Of Distinctive Atmosphere

Key West awaits the arrival of motor tourists with interest not unmixed with apprehension. Key West is an old city, antedating the purchase of Florida from Spain. It has great strategic, and considerable commercial importance. It was a thriving community for many years before there was anything else in Florida south of a line drawn from St. Augustine to Tampa except Seminole Indians and alligators.

Key West today has what the literary people call "atmosphere" and it is distinctive. While it would be glad to welcome more winter visitors, it is not at all sure that it wants to become just another jazzified resort, or a roadhouse on the way to Cuba.

Key West escaped the full force of the September Miami hurricane and the even more severe Havana storm a month later. Key West, however, knows how to build against wind, and in the past has weathered more than one blow of similar violence practically unscathed.

The City's Real Estate Activities

Key West experienced a brief and rather mild real estate boom in 1925 as the Overseas Highway began to take definite shape. Rather long prices were paid for land purchase contracts, especially for acreage on the Keys. When the time came for the second payments many of them were defaulted, with the net result that the Key Westers still have their land plus the Northerners' cash payments.

The one newcomer who has gone right ahead with his plans here is Malcom Meacham of New York and Palm Beach. In 1925 he bought the eastern end of Key West. He bought for development, not for speculation. He has graded land, built paved streets, and

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concrete sidewalks, installed electric lighting, etc., etc. Late this January he put a plat on the market and in 10 days sold \$100,000 worth of lots at prices which figure 16 cents a square foot for residential, and 23 cents a square foot for business locations, disposing in that time of more than 80% of all the lots he had ready to offer.

The New "Looks Down" On The Old

Newer Florida is rather disdainful of Key West. "What do you want to go down to that burg for? There is nothing to do there." For jazz, cabaret, night club, race track devotee they are right.

There is nothing to do in Key West, that is except to play golf on one of the sportiest little courses in the South, where if you are enough of a duffer you can lose one ball in the Atlantic ocean and another in the Gulf of Mexico on the same round; or to play tennis on perfectly appointed courts; or to swim on the south beach where the Atlantic and the Gulf merge in water whose January temperature is 72 degrees; or fish on the reefs or in the Gulf Stream for 50 varieties of the gamiest fish that swim salt water; or to motor out over the 20 finished miles of the Overseas Highway along palm-lined beaches looking out over the blue and silver green and violet shallow waters to the indigo of the Gulf Stream, losing count of the bridges over inlets and channels as you pass from Key to Key, regaled with tales from the man at the wheel of marvellous catches "from this very bridge only last week."

And there are lazy or tired people who are not dissatisfied to sit in comfortable arm chairs on the broad piazzas of the Casa Marina in the sub-tropical sunshine with a gentle southeast breeze in the face wafted across the Gulf Stream from Cuba, and gaze over green lawns and gardens extending to the top of the beach out to the endless procession of shipping always passing by, for they are looking out over the straits of Florida in which must converge all the vast commerce passing between the Atlantic, the Gulf of Mexico, the Carribbean and the Pacific!

One will go far to find a more comfortable, better managed hotel than the Casa Marina, the newest (if the rebuilt "Breakers" at Palm Beach be excepted) and the most fortunately located of the Florida East Coast chain, and also the most moderately priced hotel of the first rank in the South.

A Winter Climate Without Parallel

And the climate! The recent growth of Florida, especially of south Florida, is based on two things—a delightful winter climate and the automobile. Key West's motor invasion is still of the future, though a rapidly approaching one, but when it comes to winter climate, it has the rest of Florida completely distanced.

Florida covers a lot of latitude. It is 522 miles from Jacksonville to Key West, considerably further than from Boston to Washington, and there is a greater difference in winter climate. North Florida is cold enough in winter, with temperatures in the low 20's to be expected occasionally. Central Florida can be

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thoroughly cold. The devastating results of the two big freezes in the 90's can still be seen in the orange groves around Orlando. There are plenty of winter days at Palm Beach that are strongly reminiscent of the chilly "sea turns" in Boston in the early spring, and even Miami which usually makes good on its winter slogan, "It's June in Miami" has experienced six killing frosts in its 30 years of existence.

It is Key West's boast that it is the only genuinely frost free city in the United States, as the absolute minimum that has ever been recorded in the 55 years history of the Weather Bureau was 41 in 1886:

During the severe cold wave which swept the South the second week in January, when it was 24 in Tallahassee, 28 in Jacksonville, 27 in Orlando and 37 in Miami, the lowest temperature registered in Key West was 48—which was incidentally the first time it had been below 50 in 9 years—and there was not a day during the month when the thermometer did not rise as high as 63.

Most Sunshine, Least Rain

Key West claims that in the winter months it has more sunshine, less rain, and a more even delightful climate than any place in the country. It offers the following daily record supplied by the United States Weather Bureau, for the first four weeks of January to back up its claim.

Date	Percentage of			
1927	Maximum	Minimum	possible	
January	temp.	temp.	sunshine	Rainfall
1	73	61	65	Trace
2	63	55	82	0
3	71	55	100	0
4	75	67	91	0
5	74	66	100	0
6	73	60	100	0
7	75	57	100	0
8	76	61	100	0
9	75	61	71	0
10	73	62	40	Trace
11	63	51	17	0
12	64	*48	79	0
13	76	61	22	0
14	79	64	58	0
15	65	63	38	0
16	64	50	100	0
17	71	60	45	0
18	76	62	96	0
19	78	65	63	0
20	79	67	95	0
21	79	68	70	0
22	79	71	40	0
23	79	68	94	Trace
24	77	68	85	0
25	76	67	92	0
26	77	68	100	0
27	75	66	100	0
28	74	66	66	0

*Lowest recorded in 9 years.

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My Creed

By C. W. BARRON

Publisher of The Wall Street Journal

I believe in service:

I believe in the laws; in the happiness; in the mutuality of service.

I know no other happiness; I know no other laws.

There is no other happiness; there are no other laws.

In The Wall Street Journal I have sought to create a service. I have striven for a creation so founded in principles that it can live as a service—live so long as it abides in the laws of that service.

I believe there is no higher service from government, from society, from journalism, than the protection and up-building of the savings of the people.

Savings in the United States may become investments, when guided by financial knowledge, more readily than in any other country of the world.

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The Wall Street Journal must stand for the best that is in Wall Street and reflect that which is best in United States finance.

Its motto is "The Truth in its proper use."

Wall Street—A National Institution

SOME persons think of "Wall Street" as an isolated locality, primarily existing by reason of a stock exchange. But each day new evidence indicates that this idea is fast fading in the light of a clearer public understanding.

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